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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI-3497-82
26 April 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

THROUGH: National Intelligence Officer for Warning

FROM: 25X1
Acting National Intelligence Officer for
Western Europe

SUBJECT: Monthly Warning Assessment: Western Europe

UK

1. Domestic support for Prime Minister Thatcher's actions in the Falklands crisis remains high, and a threat to her government in the short run would seem likely to arise only from a serious military setback. Recapture of South Georgia will enable London to dampen pressures for early follow-up military action. The Prime Minister will nevertheless probably step up military pressures and opposition elements may increasingly criticize the government for not allowing diplomatic and economic measures sufficient time to isolate Argentina. The British government has publicly shied away from criticism of US "evenhandedness" in the crisis; popular anti-US opinion may grow, however, if the British believe Washington is reluctant to exert pressure on Buenos Aires.

West Germany

2. The numerically overwhelming, if unenthusiastic, support for the SPD leadership's resolution on security issues at last week's party congress testifies to the predominant wish within the party not to commit political suicide -- not yet, in any event. The debate over INF will continue, however, and "peace" spokesmen within the party will back anti-nuclear demonstrators. A more immediate threat to the SPD's governing role will come from the endorsement by the congress -- just as the federal budget-framing process gets under way -- of job-creation measures that are anathema to the SPD's coalition partners, the FDP.

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Italy

3. The Christian Democrats (DC) hold their party congress next week and the vote for a new DC leadership will determine whether the party will continue to favor, or abandon, an alliance -- however troubled -- with the Italian Socialists (PSI). A victory for anti-PSI forces could open the way for Communist collaboration either with the DC or with the Socialists. A government "crisis" -- with elections in June or, more likely, in the fall -- is possible in any event, because Socialist leader Craxi is anxious to demonstrate his party's increased strength. As the recent near-crisis of the Spadolini Government showed, however, Craxi is wary of Socialist isolation and may thus be more reluctant to precipitate a fall of the government if the DC right -- favorable to collaboration with the Socialists -- gains at the congress.

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